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FISCAL IMPACT STATEMENT

LS 7017

BILL NUMBER: HB 1125

NOTE PREPARED: Jan 3, 2012

BILL AMENDED:

SUBJECT: Clean Energy Resources.

FIRST AUTHOR: Rep. Frizzell

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill amends the statute concerning the Voluntary Clean Energy Portfolio Standard Program for electricity suppliers to include more clean energy resources within the existing list of clean energy resources that may not be used to satisfy more than 30% of any of the Clean Portfolio Standard (CPS) goals set forth in the statute. It also makes conforming amendments.

Effective Date: Upon passage.

Explanation of State Expenditures: *Indiana Utility Regulatory Commission (IURC):* This bill will increase administrative expenditures of the IURC by requiring the IURC to amend rules relating to the Voluntary Clean Energy Portfolio Standard Program. It is estimated that the IURC's current level of resources will be sufficient.

Background Information - PL 150-2011 established the Voluntary Clean Energy Portfolio Standard Program to provide incentives to participating electricity suppliers to obtain specified percentages of electricity from clean energy sources in accordance with the clean portfolio standard goals. This bill *adds* the following clean energy resources to the current list of clean energy resources that may be used to satisfy not more than 30% of any of the clean portfolio standard goals;

- Fuel cells.
- Hydrogen.
- Energy from waste to energy facilities, including energy derived from advanced solid waste conversion technologies.
- Coal bed methane.
- Industrial byproduct technologies that use fuel or energy that is a byproduct of an industrial process.

- Waste heat recovery from capturing and reusing the waste heat in industrial processes for heating or for generating mechanical or electrical work.
- Demand side management or energy efficiency initiatives that:
 - (A) reduce electricity consumption; or
 - (B) implement load management, demand response, or energy efficiency measures designed to shift customers' electric loads from periods of higher demand to periods of lower demand; as a result of equipment installed, or customers enrolled, after January 1, 2010.

Under current statute, a participating utility may use the following clean energy resources to satisfy not more than 30% of the CPS goals;

- A clean energy project described in IC 8-1-8.8-2(1).
- Nuclear energy.
- Electricity that is:
 - (A) generated by a customer owned distributed generation facility that is interconnected to the electricity supplier's distribution system in accordance with the commission's interconnection standards set forth in 170 IAC 4-4.3; and
 - (B) supplied back to the electricity supplier for use in meeting the electricity supplier's electricity demand requirements in accordance with the commission's net metering rules set forth in 170 IAC 4-4.2.
- Combined heat and power systems.
- Electricity that is generated from natural gas at a facility constructed in Indiana after July 1, 2011, which displaces electricity generation from an existing coal fired generation facility.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: IURC.

Local Agencies Affected:

Information Sources:

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